

Sacks Ex. 40

From: Roger Faxon <RFAXON@EMIMP>
Sent: Tuesday, March 4, 2008 12:41 PM (GMT)
To: Stefan Gullberg <sgullberg@emimusicpub.com>
Subject: RE: requests

Stefan

I would do the first but agree the second will have no meaningful impact on Peter's success. My one comment on the first is that it must be limited in time or numbers of downloads (preferably both). Sorry to have missed you in London – Leo tells me he had a great time with you and your team I wish I could have made it but Peter and I had a very good meeting with Nocia.

Roger

From: Stefan Gullberg
Sent: Tuesday, March 04, 2008 4:25 AM
To: Roger Faxon
Subject: requests

Dear Roger,

We have been approached for 2 gratis promo requests for the song "Social competence" from Peter Morén's (= ex PBJ) solo album out on Quarterstick/Touch and Go.

1). Free Promotional MP3 of one song to the public for free download from Peter Morén's album (as do most indie labels). They would offer "Social Competence" for free download on touchandgorecords.com, Peter and Touch and Go's Myspace pages, plus encourage as many third party online zines, podcasts, blogs, major web portals to host the MP3 for free download on their site. We are being told that historically the track which is offered for free like this is usually still the top selling track in digital retail. They would like to offer this promotional MP3 download for nine months. After that initially period the promotional partners will replace the MP3 download with a stream for the duration of the license of the album - including offering a stream of the song on their website and on their Myspace page and Peter's Myspace page, or until they decide to ask these partners to remove the stream.

The label has given us a further explanation of why they pursue this strategy. One promotional MP3 per album is the best way they can virally promote the album which will increase sales and thus revenue on the compositional side as well as the master recording side. This promotional technique has proven to be so effective, that virtually every free track they have issued from an album has maintained itself as the top selling track from the album. It also enables them to offer something from the album to the myriad of sites, blogs, podcasts out there that would be tempted to give away unauthorized materials, perhaps the entire album, if they do not have the option to feature a track that they offer to them. This control mechanism is vital to their methods of slowing piracy of albums.

2). Peter is playing the Insound (SXSW) party. We have been approached for one free inclusion of "Social Competence" on their MP3 sampler that they send out to thousands of their customers.

Personally, I think that the 2nd request is nothing we should do but I am not sure about the first one. What is your view? Should we agree?

All the best
Stefan